FBIS DAILY REPORT

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TALKS IN NEW YORK PROGRESSING 'VERY SLOWLY'

PY130320 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0050 GMT 13 May 82

[Excerpts] Buenos Aires, 13 May (NA) -- Foreign Minister Nicanor Costa Mendez stated here this evening that the talks being held at UN headquarters to seek a solution to the conflict over the Malvinas Islands "are progressing slowly, very slowly." However, he pointed out that the negotiations "are not stagnated" and that it is hard for him to believe that the EEC countries will not renew the sanctions against our country. [as received] He also denied that Chilean authorities are mediating in the conflict.

Asked his opinion of the latest statement by Prime Minister Margaret Thatcher, he answered: "I read them this morning and the only thing I can tell that lady is that the Malvinas are, have been and will be Argentine despite her statements."

To a remark that there was Chilean mediation in Argentina's favor, the foreign minister explained that "what has happened is that the Chilean overnment, in a fraternal gesture, has offered the pilot vessel Pardo to transport wounded if necessary." He added that "that offer is being analyzed by the Argentine authorities." Asked again whether there was any other Chilean mediation, he stated: "The only mediation or intervention is that being carried out by the UN secretary general," and added that "it is a question of a very general range."

He said to the journalist: "I have told you that the United States, by not accepting the OAS decisions, is violating the commitments it has undertaken, and this makes me believe that a really serious confrontation has arisen within the OAS." He added: "I hope, and would like to believe, that this confrontation will be overcome by the U.S. Government's understanding of the true Latin American situation."

Negotiations 'On Right Path'

PY130513 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2042 GMT 12 May 82

[Excerpts] Buenos Aires, 12 May (NA) -- The prospects that the conflict with Great Britain may finally be taken to the negotiating table seemed to gain strength today, while there is a general belief that "the time to make decisions" has finally arrived. A high-ranking diplomatic source told NOTICIAS ARGENTINAS today that "for the first time, peace negotiations at the United Nations are on the right path."

The source warned, however, that the negotiations promoted by UN Secretary General Perez de Cuellar are going through "an extremely delicate stage.
York, also told this news agency that yesterday, during the second meeting between Ros and Perez de Cuellar, Argentina submitted expansions on the basic ideas of the original peace plan which still has to be drafted. He also explained that the definitive stage of negotiations will take at least 3 days, in which documents will be drafted, and therefore, he noted, it is imperative for peace negotiations to continue.

Thatcher Complicates Efforts

PY121730 Buenos Aires International Service in English 1530 GMT 12 May 82

[Text] In the midst of increasing difficulties, the secretary general of the United Nations, Javier Perez de Cuellar, yesterday continued an intensive round of negotiations in search of a formula or basis of agreement leading to further talks between Argentina and Britain in an effort to find a peaceful solution to the present Malvinas crisis. Major obstacles in the way of an agreement came from London, a fact which was fully confirmed by a speech made by the British prime minister, Margaret Thatcher, in the House of Commons.

Two points were made by the prime minister in her speech which render extremely difficult the task being carried out by the British representative in the United Nations. In the first place, Mrs Thatcher said the Argentines should not begin negotiations in the belief that their sovereignty over the Malvinas Islands will be finally recognized. She also stated that the fact that negotiations were under way did not exclude the possibility of the continuation of hostilities.

While the prime minister adopted an even harder policy line, the British ambassador to the United Nations, Anthony Parsons, said after an interview with the United Nations secretary general that he was optimistic about the final outcome of the negotiations and that he only needed a few days more to make further progress in some important points.

It will be remembered that Argentina's representative to the United Nations, Ambassador Enrique Ros, and the United Nations secretary general, Perez de Cuellar, have centered their efforts in the search of a peace plan which would put an end to the hostilities and which would make possible the initiation of later talks which would lead to the recognition of Argentina's sovereignty over the Malvinas.

The harsh statements made by Mrs Thatcher were looked upon with serious concern, both in the United Nations and in the San Martin Palace, the Buenos Aires headquarters of the Argentine Foreign Ministry. As a result, increasing interest has been awakened in the meeting this morning of Argentina's national cabinet, scheduled to begin at 10 am local time. The main speaker is the foreign affairs minister, Dr Nicanor Costa Mendez, who is expected to give an account of the state of affairs up to the present date.

GENERAL WALTERS SAID IN BUENOS AIRES SINCE 10TH

PY130915 Buenos Aires Domestic Service in Spanish 0853 GMT 13 May 82

[Excerpt] Retired Gen Vernon Walters is in Buenos Aires as an envoy of President Ronald Reagan. According to CLARIN, General Walters arrived Monday and held contacts with several prominent government officials and top army officers. General Walters arrived Monday at Ezeiza at 1355 aboard Panamerican flight 201 from New York, which had only 30 passengers.

GOVERNMENT DENIES EXILED SUBVERSIVES MAY RETURN

PY121443 Paris AFP in Spanish 1325 GMT 12 May 82

[Excerpt] Buenos Aires, 12 May (AFP) -- A senior government source today categorically denied the report that Argentines in exile accused of carrying out guerrilla activities may return to the country under an amnesty tacitly accepted by officials. The source said subversive criminals will not be able to return to Argentina. The great damage done to the country is still being taken into account.

The denial was made as the result of remarks made in Mexico by Ricardo Obregon Cano, former governor of Cordoba Province, the third largest in the country who, along with other leftist Peronists, announced their intention to return to Argentina on 20 May to fight the British.

MRS PERON SUPPORTS GOVERNMENT ON ISLANDS POLICY

PY121947 Buenos Aires HERALD in English 12 May 82 p 11

[Text] (NA) Breaking a self-imposed silence of many months, former President Maria Estela Martinez de Peron phoned from her Madrid home yesterday to "express my solidarity with (Argentina's) recovery of the Malvinas (Islands)." Mrs Peron, who has been living in Spain since July of last year, reportedly phoned former Justicialist Senator Italo Luder, who said she asked him to call on all branches of the (Justicialist) movement to celebrate a mass for all soldiers fallen in the course of the battle against British colonialism.

Luder said he did not know whether Mrs Peron intended to return to Argentina to attend the planned mass, for which no date was given.

JOINT STAFF REPORTS ON ACTIONS AROUND ISLANDS

Casualty Figures

PY122139 Buenos Aires Domestic Service in Spanish 2129 GMT 12 May 82

[Joint Staff Communique No 43]

[Text] The Joint Staff reports that as a result of attacks perpetrated by the British forces in the Malvinas Islands area, there have been, since the beginning of operations, the following casualties: Dead 41, wounded 44, missing 8. The relatives of the personnel in question have been personally notified by the respective forces.

12 May Actions

PY130251 Buenos Aires Domestic Service in Spanish 0236 GMT 13 May 82

[Joint Staff Communique No 44]

[Text] The Joint Staff reports that the following actions were carried out in the Malvinas theater of operations on 12 May:

At 1132 two British frigates bombarded Puerto Argentino. At 1415 aircraft of the Argentine Air Force attacked those ships and caused considerable damage. Ground troops knocked down a British Sea King helicopter that was attempting to operate in the area of Puerto Argentino. As a consequence of these actions, two Argentine planes were downed.

British Frigate Hit

PY122256 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2253 GMT 12 May 82

[Text] Buenos Aires, 12 May (NA) -- Reliable sources have revealed that an Argentine squadron carried out an attack today against British naval forces in the Malvinas area. They indicated that the attack by the Argentine Air Force units had managed to hit an invading frigate, but they did not indicate how much damage was caused.

OFFICER DENIES BRITISH CONTROLLING FALKLAND SOUND

PY121530 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1345 GMT 12 May 82

[Excerpts] Buenos Aires, 12 May (NA) -- A military source reported that yesterday was one of the quietest days since the beginning of hostilities, and he categorically denied reports from London that the British fleet now controls the San Carlos strait, which separates Gran Malvina from Soledad Island.

The officer added that "even though our aircraft may have difficulties operating due to the fog, we have good coast artillery, and a couple of armed helicopters would be sufficient to sink any enemy ship that may risk entering that area."

A presumed invasion of Puerto Argentino and an attack on an Argentine ship were denied by Foreign Minister Nicanor Costa Mendez, and he added that "it is regrettable that the venerable BBC is limited to broadcasting false communiques."

A military source cited today by the newspaper LA NACION revealed, however, that more British ships have arrived in the Malvinas theater. Relief of logistical-type ships reportedly took place during the past few hours, but it was not possible to establish how many there were on their nature. The military source also revealed that three British warships were detected at 60 degrees west longitude, 53 degrees south latitude, that is, some 30 miles from the east mouth of San Carlos Strait which separates Gran Malvina from Soledad Island.

MINISTRY CONDEMNS ILLEGAL ARREST OF JOURNALISTS

PY130106 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2310 GMT 12 May 82

[Text] Buenos Aires, 12 May (NA) -- The following official communique was released tonight:

"The Interior Ministry has the duty to inform public opinion that it condemns the illegal arrest of three British journalists perpetrated today. The journalists were freed a few hours later by their captors.

"It is well known that the Republic of Argentina is firmly and forcefully facing the brunt of the attacks being perpetrated by a major imperialist power, and at the same time its actions are clearly based on the ethics of its conduct, the truth of its reports and the justness of its cause.

"In view of the above, episodes such as the one we hereby condemn appear to be conducted by illegitimate forces of uncertain origin, who intend to smear, by no matter what means, the clean Argentine image, which has been characterized by the strictest respect for morality, law and human life from the beginning of the conflict.

"We hereby give assurances that the mentioned act will be investigated exhaustively in order to find the persons responsible for it."

Galtieri Receives Reporters

PY130636 Buenos Aires TELAM in Spanish 0420 GMT 13 May 82

[Text] Buenos Aires, 13 May (TELAM) -- The president of the nation, Lt Gen Leopoldo Fortunato Galtieri, a little after 0100 received the three British journalists who turned up in the outskirts of Pilar after presumably being kidnapped.

Prior to this meeting, the representatives of the British press had conversed for nearly 50 minutes with the interior minister, Maj Gen Alfredo Oscar Saint Jean, to whom they recounted the details of the incident. General Saint Jean told them that General Galtieri wanted to greet them and that he truly regretted this bad incident and said it will be investigated to the end.

He also told them not to thank him further for only doing his duty, in reference to the attention he had paid them since they were found. A translator read the communique by the Interior Ministry to the British journalists in the minister's office.

Three Expelled

PY130031 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0020 GMT 13 May 82

[Text] Buenos Aires, 12 May (NA) -- Interior Ministry Under Secretary Col Bernardo Menendez disclosed that the expulsion of three foreign journalists had been ordered because they had "compromised national security." The journalists are Ivar Hippe, Frode Holts and Holger Jensen. The first two are Norwegian and the third Swedish, members of the U.S. weekly NEWSWEEK staff.

MINISTER SAYS COUNTRY CAN SURVIVE EEC SANCTIONS

LD122136 Hamburg DPA in German 1819 GMT 12 May 82

[Text] Mainz, 12 May (DPA) -- In spite of the military conflict with Great Britain over the Falkland Islands, Argentina intends to repay its foreign credits of $35 billion on time. However, as the Argentine economy and finance minister, Roberto Alemann, said Wednesday in an interview on the ZDF [television] economic program "Bilanz," the plan for new long-term credits is being suspended and the necessary funds are being raised from domestic savings.

The minister is of the opinion that an extension of the EEC trade embargo beyond May or June would have serious consequences for the Europeans because Argentina has implemented a counterembargo. As Argentina has been running a slight trade deficit with the EEC, exports from the EEC to Argentina would be affected more than the other way around. There would also by extension be negative effects on many German firms operating in Argentina, as these would have difficulties importing raw materials and machines from the EEC.

According to Alemann, Argentina can sustain the conflict for a long time because it can isolate itself economically and build on its own resources. Argentina has a sufficient basis of foodstuffs in accordance with the consumer level per person for meat, bread, wine and so forth, and in addition is self-sufficient in energy. There would only have to be a corresponding readjustment of the standard of living. "This is done by all peoples in war, especially if they think it is just."

April Deficits Reported

PY121921 Buenos Aires HERALD in English 12 May 82 p 11

[Text] Military expenses for the recovery of the Malvinas Islands increased the national deficit by nearly 400 billion (thousand million) pesos in April, the Economy Ministry said yesterday. The deficit during April reached one trillion 799 billion (1,799,000 million) pesos, which exceeds estimates for the period by 399 billion (thousand million) pesos. Last week Economy Minister Roberto Alemann had said the difference between the real deficit and estimates for April originated in military expenses imposed by the conflict with Britain.

The Economy Ministry report made public yesterday said the total April income amounted to five trillion 520 billion 461 million (5,520,461 million) pesos, while expenses totalled seven trillion 310 billion 606 million (7,310,606 million) pesos.

The national deficit corresponding to the first four months of the year totalled seven trillion 933 billion 435 million (7,933,435 million) pesos.

Inflation Increase Expected

PY122207 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2134 GMT 12 May 82

[Text] Buenos Aires, 12 May (NA) -- The Economy Ministry is expecting a significant increase in the level of inflation this month, in spite of the fact that basic food prices have increased by only 0.5 percent during the first week of May.

This was reported this afternoon by a high-level source at the ministry, who indicated that the adjustment in the wholesale price index will be much higher than that for consumer prices.

Reserve Requirements

PY122119 Buenos Aires HERALD in English 12 May 82 p 11

[Text] (NA) The Central Bank last night ruled a one-percent reduction of minimum reserve requirements to bring about a drop in interest rate levels, which have remained as high as nine percent a month in spite of government efforts to bring them down. The move will free about two billion pesos which are expected to bring down the cost of money. The move is part of [a] plan now being analyzed by the Central Bank to lower interest rates.

This is the third time the Central Bank has ordered a one-percent reduction of minimum reserve requirements in less than 30 days. As from May 1, minimum reserve requirements kept by banks will represent 15 percent of all deposits. The Central Bank reportedly intends to keep on lowering minimum reserve requirements till they represent 12 percent of all banks deposits.

Meanwhile, the business publication AMBITO FINANCIERO said in an article that bank deposit insurances corresponding to deposits over 100 million pesos would drop by 10 percent a month. According to the daily business newspaper, Economy Minister Roberto Alemann had told his aides Manuel Solanet and Egidio Ianella before leaving for Europe that "(interest) rates must go down during my absence."

Although there are noticeable differences between the two officials, "both accepted to undertake the mission," the newspaper said. "According to Alemann, (interest) rates are still high because of lack of political and economic certainty," AMBITO FINANCIERO added. The economic policy tends to avoid "huge decreases" which can spark a run on bank deposits, the report said.

No Comment on GDP

PY112153 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2028 GMT 11 May 82

[Text] Buenos Aires, 11 May (NA) -- Official spokesmen for the Economy Ministry today reported that the ministry will make no comment on the gross domestic product [GDP] decrease during the first quarter of 1982. According to Central Bank sources, that decrease has reached 4.3 percent.

After the Central Bank report was disseminated, some journalists asked spokesmen for the Economy Ministry for clarification, but after consultations the latter replied that no comment would be made on the subject.

The GDP's 4.3 percent decrease in the first quarter is the greatest decrease in Argentine activity in 12 years.

April Oil Production

PY130045 Buenos Aires TELAM in Spanish 2021 GMT 12 May 82

[Excerpt] Buenos Aires, 12 May (TELAM) -- Government Oil Deposits (YPF) has reported that crude oil extraction and gasoline production decreased in April compared to the same period in 1981. However, much progress was made regarding digging of new wells as well as in prospecting activity, which is designed to increase the amount of oil reserves in the country.

According to an official report, crude oil extraction reached 2.3 million cubic meters in April -- out of which 65 percent was extracted by YPF and the remaining 35 percent by contractors. Therefore, this indicates a 1.7-percent decrease against the same period in 1981. It is reported that 9.15 million cubic meters of crude oil were extracted in the first third of 1982. Comparing this figure with the 9.39 million cubic meters extracted during the same period in 1981, this was a 2.6-percent decrease. Similarly, gasoline production -- with only 6 percent of imported crude oil -- decreased by 4 percent in April because only 1.65 million cubic meters were produced. Gasoline production during the first third of 1982 has reached 6.76 million cubic meters, a 1.2-percent drop from the same period in 1981.

In addition to reporting on the above slight decreases, YPF announced that 74 new wells were brought in in April. This is a 12 percent increase over April 1981. However, the number of wells drilled in the first third of 1982 are a 9.4 percent below the same period in 1981, when 240 wells were brought in.

BRIEFS

NEW FALKLANDS PAPER -- The first Argentine newspaper on the Malvinas Islands, LA GACETA ARGENTINA, was published for the first time yesterday. Public Information Secretary Rodolfo Baltierrez said "the new daily will be a part of the history of the national press." LA GACETA ARGENTINA is directed by Friar Salvador Santore. [Buenos Aires HERALD in English 12 May 82 p 11 PY]

NO GOVERNMENT COMMENT ON ARMS FOR ARGENTINA

PY130800 Paris AFP in Spanish 1636 GMT 12 May 82

[Text] Brasilia, 12 May (AFP) -- The Brazilian Government has refused to make any comments concerning sales of arms to Argentina, it was stated today at the Ministry of Foreign Relations in reference to reports published yesterday in London about Argentine purchases of arms from Brazil. In all cases the buyer may make any statement he thinks suitable, the source said.

Brazil, the sixth largest arms exporter in the world, has declared itself willing to sell arms to Argentina at any time, and the Brazilian foreign minister, Ramiro Saraiva Guerreiro, said some weeks ago that the fact that one country is at war does not constitute a restriction on arms sales. We avoid selling when such sales would threaten the regional balance, but this is not the current case, he added.

Brazil, which has already sold EMB-111 reconnaissance aircraft (the military version of the Bandeirante) to Argentina, could offer a vast range of arms to the Buenos Aires government, from aircraft to light arms. Light armored cars and armored personnel carriers built by ENGESA have had considerable success abroad, above all in Iraq, where they are being used in the war with Iran.

MINISTRY CONCERNED BY GUATEMALA EMBASSY TAKEOVER

PY130154 Buenos Aires TELAM in Spanish 1019 GMT 13 May 82

[Excerpt] Brasilia, 13 May (TELAM) -- The Brazilian foreign minister this afternoon informed the Guatemalan ambassador of his "deep concern for the lives of the persons being held hostage" inside the Brazilian Embassy in the Guatemalan capital, which was occupied today by the self-styled "31 January Peoples Front."

This statement was made by Acting Foreign Minister Baena Soares, replacing Minister Ramiro Saraiva Guerreiro. Baena Soares stated that two members of the ministry had left today for Guatemala to assist in the negotiations underway by the government of that country. Baena Soares revealed that the news was received with surprise by President Joao Figueriedo, who is in Washington.

A Rio de Janeiro radio station held a telephone conversation with the Brazilian ambassador to Guatemala, Carlos de Abreu e Silva, who is being held as hostage together with seven other employees. The conversation revealed the great nervous tension and the drama being experienced inside the occupied building.

REAGAN, FIGUEIREDO DISAGREE OVER FALKLANDS

PY130820 Buenos Aries Radio Rivadavia in Spanish 0805 GMT 13 May 82

[Text] Radio Rivadavia now enters in network with the National Sovereignty Network. Radio Rivadavia presents headlines in today's newspapers:

Brazil and the United States have divergent positions over the Malvinas. President Joao Baptista Figueiredo met with President Ronald Reagan.

Daily Previews Talks

PY121012 Rio de Janeiro O GLOBO in Portuguese 5 May 82 p 1

[Editorial: "Visit Without Constraints"]

[Excerpts] The decision to keep the schedule and program of President Figueiredo's visit to the United States gives Brazil a golden opportunity to underscore the position of equilibrium it has maintained in the face of the Anglo-Argentine conflict without letting itself be involved in emotional reactions or wrong ideas of Latin American or Third World solidarity in the political assessment of such a conflict.

No argument can be made against the fact that the topics of conversations with the United States must be adapted to the facts related to and the concerns raised by the Malvinas-Falkland crisis. That this should be so is crystal-clear. The state of war in the South Atlantic takes a natural priority in the Figueiredo-Reagan talks.

Taking that for granted, the fact that the United States and Brazil do not see eye-to-eye fully on aspects of the crisis makes it advisable, rather than inconvenient, for the chiefs of state of the main American nations and traditional allies to get together.

Even the discrepancy over the military and economic sanctions the United States applied against Argentina -- by denouncing it as an aggressor and violator of UN Resolution 502 -- is far from opening a chasm on this matter between the United States and Brazil. Brazil could not go so far as to intend to mold the attitude of the United States on this episode. The most Brazil can do is not hew to and not support the U.S. line in those instances in which such a line is counter to Brazil's own interpretations or specific interests.

The truth is that Washington has not desisted from its intention to bring the adversaries to the negotiation table. On the contrary, the United States continues working to that effect with the continental community. That persistent conciliatory concern on the part of the United States alone should be sufficient to put President Figueiredo at ease during his mission to Washington.

Risk Viewed

PY120825 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 82 p 3

[From the "Notes and Information" page: "The Last Chance"]

[Excerpts] President Figueiredo's visit to the United States, which begins today, takes on a renewed importance as the hours wear on -- a circumstance that should prompt the chief of state to extend the period of conversations rather than shorten it. Most of the Brazilian president's attention should be devoted now not only to the problem of "graduation," customs tariffs and Central America but also to the problems stemming from the Falklands crisis.

The combination of economic and political problems greatly complicates the agenda, which will be extremely short (only 2 hours, as we pointed out before). And the reason is simple: If it is true that the reasons for the Brazilian Government's complaints regarding the economic decisions Washington has been adopting, to the visible detriment to our economy, are valid, the same cannot be said regarding our political positions as far as a host of continental problems is concerned.

The risk President Figueiredo is running during his short visit to Washington is to allow himself be carried away by the "pro-Buenos Aires" emotionalism now prevailing in Latin American foreign ministries; as well as allowing himself to believe that the United States, which is a member of several alliances, has no right to opt for one of those alliances, and that it should always give preference to Latin America, which, underdeveloped and exploited as it is, has no obligations to anybody else. The idea that loyalties follow geography and spiritual values and not national interests is an idea that no geo-political thinker has ever dared to defend. That, however, is the idea now espoused by the Brazilian Government, which is visibly hesitating between total isolation and an automatic alignment with its neighbors, just because they are its neighbors.

GOVERNMENT MAKING DIPLOMATIC MOVES OVER FALKLANDS

PY122126 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2046 GMT 12 May 82

[Text] Buenos Aires, 12 May (NA) -- A high-level Foreign Ministry source today told NOTICIAS ARGENTINAS that the Chilean Government has begun diplomatic action with the Argentine authorities "directly related to" the confrontation with Great Britain. The source indicated that Chilean Foreign Minister Rene Rojas Galdames this afternoon held a telephone conversation with his counterpart, Nicanor Costa Mendez. However, no details were learned.

The Chilean Embassy in Buenos Aires declined to "make any comments" on the moves carried out by the Santiago government, saying only that "we are waiting for the Argentine Foreign Ministry to be notified officially."

ARGENTINE INVASION PLAN INCLUDED BEAGLE ISLANDS

PY130333 Paris AFP in Spanish 0309 GMT 13 May 82

[Excerpts] Santiago, Chile, 13 May (AFP) -- It was charged here today that the Argentine plan to invade the Malvinas Islands also provided for the occupation of the Chilean islands of Picton, Nueva and Lennox in the Beagle Channel, but the objective was abandoned due to the determined British reaction.

This information was released by Brazilian journalist Alexandre Garcia, editor of MANCHETE magazine, in Brasilia, after interviewing Chilean President Augusto Pinochet. He stated: Today we are publishing an accusation because I spent a month in Argentina making enquiries on "Operation Rosario," which provides for the invasion of the Malvinas and also of all the islands claimed by Argentina.

He said that according to information he had gathered in that country, the "plan had been abandoned due to the unexpected British reaction."

Asked about the position of the Brazilian media regarding Buenos Aires, Garcia, who was President Joao Figueiredo's press spokesman for a year, stated that it was because the Argentine Government has resorted to force instead of law. He said that as long as a court or a treaty does not declare that the Malvinas are not British territory, they continue to be so under international law. This is undeniable. He said the Brazilian Foreign Ministry is trying to keep a neutral position on this issue "because it is considered that, after all, Argentina is a neighboring country."

Asked about the meeting with President Pinochet, he replied that he had conveyed to the Chilean president an embrace and cordial greetings from President Figueiredo, whom he met last week. He added: President Pinochet expressed his desire to visit Brazil, although he did not specify a date for the visit. "In addition to this, we talked about the relations between the two countries, which arise from an old, historical and very strong friendship without any problems."

EXPORTS TO ARGENTINA AFFECTED BY FALKLANDS ISSUE

PY130948 Paris AFP in Spanish 0107 GMT 13 May 82

[Text] Santiago, Chile, 12 May (AFP) -- The trade in Chilean products going to Argentina is encountering some problems, and solutions are being sought through the proper channels, the director general of economic relations of the Foreign Ministry, Andres Concha, reported here today. He said the difficulties are not great and that they might show up in a slight fluctuation in Argentine imports of Chilean products due to the exchange measures adopted by Argentina in order to deal with the current conflict.

Concha said other markets for those products are being sought, and added that even if the Malvinas crisis is prolonged indefinitely it will not have a major effect on Chile. He said Chile's trade with Argentina represents a small percentage of the total volume of its trade with the rest of the world.

He added that the current volume has risen to $600 million. "Thus we estimate that this could remain the same or eventually diminish, but we remember that Chile's total trade surpasses $9 billion."

The official said the Chilean authorities are carrying out negotiations so that the situation will return to its previous status in the shortest possible time.

ARGENTINA SETS UP PATRIOTIC FUND IN SANTIAGO BANK

PY130959 Paris AFP in Spanish 0148 GMT 12 May 82

[Text] Santiago, Chile, 11 May (AFP) -- The Bank of the Argentine Nation has opened a special account to receive voluntary donations in order to help the Argentine Government in the South Atlantic conflict with Great Britain, it was reported today.

Sources at that bank in Santiago indicated that so far 60 persons, mostly Argentine residents, have come in to put their contributions into special accounts set up for that purpose.

The donations, which had begun in Santiago 2 weeks ago, go to the so-called Malvinas Argentinas Patriotic Fund, which began to function on 19 April.

NAVY CONFIRMS SOVIET FISHING VESSEL SANK

PY121349 Santiago Chile Domestic Service in Spanish 1100 GMT 12 May 82

[Text] The Papudo, an antisubmarine vessel of the Chilean Navy, which went to help the Soviet fishing vessel Albatros in international waters off Iquique, has returned to its base. The Chilean vessel returned when it was learned that the British ship (Silverthorn), which was closer to the area, arrived first to help the Soviet vessel.

The Chilean Navy has released a communique regarding this matter. The communique says:

The Soviet fishing vessel Albatros sank at approximately 1650 on 9 May 565 miles west of Iquique. The navy immediately ordered antisubmarine vessel Papudo to render help, but it returned to Iquique because the British ship (Silverthorn) was already in the area.

MINISTRY CONTINUING CONTACTS OVER FALKLANDS

PA111830 Quito Voz de Los Andes in Spanish 1230 GMT 11 May 82

[Text] The Ministry of Foreign Affairs of Ecuador is keeping in permanent touch with the foreign ministries of Latin America and carrying out consultations to coordinate steps and actions that might be adopted in the Malvinas conflict, Luis Valencia, head of Ecuadorean diplomacy, has said.

Ecuador, he said, has suggested the formation of a mediating commission of Latin American countries which could offer its help and cooperation to Great Britain and Argentina. The suggestion, he added, has been favorably received. Minister Valencia pointed out, however, that the initiative has been left in suspense to allow the negotiations currently being promoted by the United Nations to develop, intensify and progress.

VENEZUELA MAY REFINE, SELL ECUADOREAN OIL

PA121610 Buenos Aires LATIN in Spanish 2212 GMT 10 May 82

[Text] Quito, 10 May (LATIN-REUTER) -- Ecuador announced today that it has signed an initial agreement with Venezuela whereby it will sell and refine Ecuadorean oil, in an operation that will relieve Ecuador of its current problems with oil buyers. The announcement was made by Eduardo Ortega Gomez, minister of natural resources and energy, who went to Caracas last week and today informed President Oswaldo Hurtado about his negotiations.

Ortega said at a press conference that "the Venezuelan Government's agreement to help Ecuador is an eminently practical first act of solidarity." Ecuador produces around 200,000 barrels of oil a day and exports 50 percent of it. Of the exports, 75,000 barrels are sold under long-term contracts. Ecuador delivers the rest of its oil production, as payment for royalties and other benefits, to the U.S. company Texaco, which is associated with Ecuador in the exploitation of Ecuadorean oilfields.

Between January and March oil buyers paid Ecuador $34.25 per barrel, but when the next quarter started they offered a lower price, provoking the suspension of Ecuadorean oil shipments. Large amounts of oil had to be stored, so Ecuador had to resort to the spot (occasional) market in order to sell close to 2 million barrels at an average price of $32.30. Even though these sales helped clear out the storage depots, they did not prompt the long-term buyers into raising their purchase price.

Ortega then decided to go to Venezuela, the main Latin American oil exporter, in search of help. Ortega said that "Ecuador does not want to abandon its long-term price policy, but if those buyers do not want to pay the price we are asking, we have encouraging prospects of establishing a mechanism with Venezuela that would give us a greater margin for profit." Ortega explained that Venezuela would buy Ecuador's crude, refine it, sell the product on the existing market and pay Ecuador the price established by OPEC, $34 a barrel, According to Ortega, "Venezuela's refineries are currently idle 50 percent of the time and are perfectly capable of processing all the Ecuadorean production."

Ortega explained that negotiations with long-term buyers are still underway. In relation to the operation with Venezuela, Ortega added that "it might be firmed up at any moment." The minister pointed out that all that remains to be done is for the two countries to establish the terms of sale.

COSTA RICA

PRESIDENT MONGE TO ADDRESS MEETING IN PANAMA

PA120438 San Jose Radio Reloj in Spanish 0100 GMT 12 May 82

[Excerpts] President Luis Alberto Monge will go to Panama on 14 May to attend a meeting on development and economic cooperation in Central America and the Caribbean. Monge also announced 2 days ago that he has been invited by President Reagan to visit the United States and that he has accepted an invitation to visit South Korea as well, which he will do when possible.

Here are President Monge's statements about his trip to Panama: [Begin recording] It will be a meeting in which we are going to discuss development and economic cooperation in Central America and the Caribbean. The Reagan plan to help our countries will be discussed. Prominent figures in the world of finance and economic experts are also going to be present. President Royo will inaugurate the meeting and I will close it on Friday night. I am going to talk about matters that, unfortunately for you Costa Rican newsmen, are nothing new, since they are points to which I have referred before, dealing with economic and political problems in Central America and the Caribbean. [end recording]

Monge Interviewed

PA121802 Managua Sistema Sandinista Television Network in Spanish 1200 GMT 12 May 82

[Passages within quotation marks recorded]

[Text] Costa Rican President Luis Alberto Monge speaks tonight for this newscast. President Monge referred primarily to his government's position with regard to Nicaragua. "We want peace. We would like the doors of cooperation and trade to be always open. In the area of foreign relations, We have always favored pluralism."

Asked about counterrevolutionaries who are active in Costa Rica, the president said: "We have already made statements on this. Costa Rica is a country of asylum, of a strong and glorious tradition of asylum, but asylum carries the condition of not allowing our country to be used for acts of hostility or of aggression against other countries."

Regarding an IMF condition that former President Carazo Odio said was injurious to the Costa Rican peoples sovereignty and dignity, the president said: "We have the best hopes of reaching an agreement, because we need this as a prerequisite for our production and economic recovery programs."

GOVERNMENT MOVES EMBASSY IN ISRAEL TO JERUSALEM

PA122111 San Jose Radio Reloj in Spanish 1730 GMT 12 May 82

[Text] Costa Rica has moved its embassy in Israel to Jerusalem. This decision was expressed in a note which Foreign Affairs Minister Fernando Volio Jimenez sent to Hagan Diqan, Israeli ambassador in San Jose. Our government states that the transfer of the Costa Rican Embassy to Jerusalem is based on the rights which apply to relations between two sovereign states and the Costa Rican Government's respect for the decision of every state to select the seat of its own government.

The Costa Rican Foreign Ministry explains in its note that the transfer of the Costa Rican diplomatic offices from Tel Aviv to Jerusalem does not involve and cannot be construed as an unfriendly action toward the Arab states, as it wishes to strengthen and improve its ties with them in view of the fact that the intent of the decision is to exercise a right which is inherent to the nation's sovereignty. [sentence as heard]

In conclusion, the note states that the Costa Rican Government will communicate this decision to the UN secretary general and will explain to him that Costa Rica regrets that it is not able to comply with the UN Security Council's request of 20 August 1980 for the aforementioned reasons. It adds that the decision to establish the embassy in Jerusalem is motivated by an earnest and genuine quest for peace.

SANDINISTS SAID TO OPPRESS ATLANTIC COAST GROUPS

PA130326 San Jose LA NACION in Spanish 7 May 82 pp 1A, 12A

[Excerpts] Mariano Montealegre, a former squadron leader in the Sandinist air force, has revealed that under orders from the present Nicagaruan leaders, the Miskito Indians were bombed and hundreds of blacks from Bluefields were jailed because they rebelled against the Cuban advisers who are in that city. Montealegre resigned from his post and is now in Costa Rica, where he has joined the cause of Eden Pastora Gomez. According to his statement, "the blacks were chained together, transported on airplanes and were accused of being counterrevolutionaries." He added that the Sandinist air force pilots use the groups of unarmed Miskitos who flee into Honduras as targets. He concluded by saying: "The Miskitos who are caught are tied up and taken to Puerto Cabezas, and no one hears about it."

Montealegre considers that these actions have caused problems within the Sandinist air force because some members oppose these actions, even though others boast about them.

In San Jose, Montealegre offerred his unconditional support to Commander Eden Pastora, even though he said that Nicaraguan security agents had chased him a few days ago in an attempt to kill him. In his opinion, many Nicaraguans are being manipulated in a very subtle way, even though they believe that Nicaraguans should form an ideology of their own without the influence of foreign powers.

"There are only two options: Either you are with the FSLN or against it, even though Sandinism essentially entails pluralism and democracy." Montealegre even accused the government junta of executing some of their opponents because they feel that "you have to be a Marxist first and then a Sandinist," when in reality one has to be a Sandinist first and whatever else one would like to be after."

Montealegre mentioned that within the army and the people there are many who support Pastora, even though the Nicaraguan commanders are terrorizing the people to prevent more desertions.

EL SALVADOR

PRESS LEAK REPORTEDLY FOILS ARMY OPERATION PLAN

PA130410 San Salvador LA PRENSA GRAFICA in Spanish 12 May 82 pp 2, 21

[Text] The Armed Forces Press Committee [COPREFA] announced yesterday that a cleanup operation that was to be carried out in Chalatenango Department had been suspended when the clandestine organizations were unintentionally alerted about this military action. According to the armed forces spokesman, everything was ready for the operation the day before yesterday. The operation would have been carried out in several Chalatenago Department areas, especially near the border. However, a report obtained from reliable sources and given to a newspaper as a scoop, but published prematurely, served to warn the subversives. As soon as the subversives learned about the official plans, they abandoned their defensive positions and moved to other sites, hiding their weapons and dismantling their camp sites and clandestine hospitals.

The official source stressed that the report had not lied. However, the possible success of the operation was foiled by the fact that the information was published prematurely.

According to the COPREF spokesman, had the information not been published before the cleanup operation began, it would be currently underway. Finally, he explained that efforts were made until the very last moment to conduct the operation, but that when certain planning details failed, the armed forces high command had decided to postpone it until some future occasion.

UNGO DISCUSSES NEGOTIATED PEACE SOLUTION

PA130215 Bogota Radio Cadena Nacional in Spanish 1730 GMT 12 May 82

[Text] Bogota -- Guillermo Ungo, president of the Revolutionary Democratic Front [FDR], today admitted that an armed solution to the domestic conflict of his country is impossible because of the equality in forces between the guerrillas and the government. He said that he is in favor of seeking a negotiated peace. However, he explained that the FDR is willing to hold a dialogue with the government and all sectors which are important in the Salvadoran problem, but this dialogue should not be started with the prerequisite that the guerrillas must put down their weapons. This would be, he added, like becoming cannon fodder of Mr Duarte's rifles.

Ungo also condemned Washington's intervention, noting that Duarte's government has received aid which is worth approximately as much as the aid which Reagan has offered to the Caribbean Basin, estimated at approximately $350 million. The United States has directly intervened with weapons, money and by training Salvadoran soldiers. The Salvadoran civil war has already claimed the lives of 32,000 citizens, who were cruelly murdered, and the emigration of 75 percent of the population, Ungo said.

Ungo also discussed a negotiated peace solution: [Begin recording] We believe that there are major international sectors that can become guarantors and promoters of a negotiated solution and this is the reason for our diplomatic activity. Why? Because the fate of the region's stability is at stake in El Salvador. This war carried out by the Salvadoran and U.S. Governments is regionalizing the conflict, and we don't believe this is good for any country or government in the region. This conflict also goes against the goals of peace and stability for the area. Therefore, we talked about a dialogue. However, we intend to talk with the government, the political forces and the leading sectors but not to negotiate a surrender. We do not need to surrender because we are not weak. Therefore, D'Aubuisson is proposing that we surrender so that we can be killed easily. To lay down our weapons is absurd, because we would then have to ask the death squad and the secret organizations to put down their weapons, as they are the ones killing most of the Salvadoran people.

Consequently, I feel that at the international level -- and I have noted here in Colombia that what I read yesterday concerning the results of the meeting of presidents and chiefs of state in Costa Rica on occasion of President Monge's inauguration...[recording ends before sentence is completed]. In conclusion, Ungo denied that the USSR is giving military aid to the Salvadoran guerrillas, although he admitted that they have received the solidarity of Cuba, South American countries and several European nations.

GUATEMALA

REBEL GROUP SEIZES CONTROL OF BRAZILIAN EMBASSY

Ambassador, 7 Others Held

PA121913 Paris AFP in Spanish 1859 GMT 12 May 82

[Text] Guatemala City, 12 May (AFP) -- The Brazilian Embassy in Guatemala City was seized today by a group of leftwing guerrillas of the 31 January Peoples Front. [FP-31]. The ambassador and seven members of the mission were taken hostage.

Security Forces Enter Building

PA122051 Panama City ACAN in Spanish 2037 GMT 12 May 82

[Excerpt] Guatemala City, 12 May (ACAN-EFE) -- Members of the Guatemalan Government security forces penetrated the building that houses the Brazilian Embassy, which has been occupied for more than 3 hours by guerrillas of the FP-31. One of the guerrillas told ACAN-EFE by telephone that in addition to Brazilian Ambassador Carlos de Abreu e Silva, the occupiers are holding six other embassy officials as hostages.

The embassy, which is located on the sixth floor of the building, is closed and only the leftwingers and their hostages are inside. Meanwhile, policemen of the security forces are scattered throughout the various floors of the building, with the aim of preventing the attackers from escaping.

Interim Report

PA122154 Guatemala City Cadena de Emisoras Unidas in Spanish 2117 GMT 12 May 82

[Sercano network]

[Text] There is an uneasy calm within a 100-meter radius of the Brazilian Embassy, which is located on 5th Avenue and 12th Street in Zone 9. The traffic of automobiles and buses have been reduced to nothing. Pedestrian traffic has been completely cut off. There are only vehicles of the national police, the army and the fire department, which are surrounding the building.

The national and foreign press have been permitted on the corner opposite the embassy. The only people there are members of the security organizations and the newsmen who are observing the incidents from a safe distance.

The security people move about periodically. Army and national police patrols are coming and going along 12th Street and 5th Avenue, covering all important points near the embassy. They are on the lookout for something, and are keeping a careful watch.

A man's voice was heard at about 1350 hours. He was one of the embassy occupants who used a loudspeaker to denounce the presence of security forces outside the five-story building, in addition to their presence in the building and on the terrace of a building across the street.

The man addressed the local and foreign press. He said: Messrs, newsmen, we demand respect for human rights. We demand that our lives and those of the hostages be respected. We don't want a situation similar to that which occurred at the Spanish Embassy, and we are reporting the presence of authorities inside the building. The man who addressed the press noted that they had people's weapons, such as Molotov cocktails and [name indistinct], which are fragmentation grenades.

Rebels' Demands

PA122205 Paris AFP in Spanish 2112 GMT 12 May 82

[Text] Guatemala City, 12 May (AFP) -- We are "ready to die," shouted one of the leftwing guerrillas who occupied the Brazilian Embassy in Guatemala City and are holding Ambassador Antonio Carlos de Abreu e Silva and seven embassy officials hostage, today. "It is necessary that the massacres of peasants cease in Guatemala, and that the whole world learn of the current killings," the guerrilla shouted through the door to newsmen who had been authorized by the police to go up to the fifth floor where the embassy is located.

There are apparently a total of 12 guerrillas, including one woman, in the embassy. The guerrillas, who are members of the Committee for Peasant Unity (CUC), have not elaborated on their claim that they have "popular weapons."

The guerrillas are demanding safe-conducts for several of their members to hold a press conference with the Guatemalan Newsmens Association, and to denounce the massacres directed, according to them, by the new military junta that took power after the coup d'etat on 23 January.

Jesus Elias Morel, the Venezuelan ambassador to Guatemala, offered his services as a mediator, and is at the Brazilian Embassy to negotiate with the guerrillas. At the same time, with the aid of loudspeakers, the commandos are shouting slogans from the windows of the embassy and are reading testimonies from peasants about various peasant massacres staged, according to them, by the armed forces. Curious onlookers are few.

People can still remember the massacre that occurred in the Spanish Embassy in Guatemala on 31 January 1980 when police stormed the building, causing 39 deaths. Only the Spanish ambassador survived. Another survivor and sole witness who was found under a pile of bodies was killed the following day when he was shot in the head while he was in the hospital.

The government junta, headed by Gen Rios Montt, met to study the situation but its members have declined to make any statement. Police Director Col Orestes Ponce Mich told AFP that he hoped that the case "will be resolved favorably" and added that "subversives invariably resort to lies when it involves peasant massacres" which are committed, according to Mich, by the very same guerrillas.

Two Hostages Released

PA122221 Panama City ACAN in Spanish 2208 GMT 12 May 82

[Text] Guatemala City, 12 May (ACAN-EFE) -- The Guatemalan guerrillas who occupied the Brazilian Embassy in this capital today, released one woman and a member of the embassy security corps this afternoon. Ambassador Antonio Carlos de Abreu e Silva and four other persons are still being held hostage.

Hostages Identified

PA122244 Guatemala City Cadena de Emisoras Unidas in Spanish 2220 GMT 12 May 82

[Text] Our correspondents at the Brazilian Embassy, which was occupied before noon today by activists of the Committee for Peasant Unity, have managed to obtain the names of the nine persons who are being held hostage. The hostages include five Guatemalans. Two of the names are: (Olga Budua), and (Francisco Ruiz Martinez). Then there are two other persons who go by the names (RAul) and (Luis Francisco). The Brazilians include commercial attache (Fernando Hugo Dacosta), secretary (Ronaldo Vera), (Manuel da Silva de Jesus) and Mrs (Vera Lucia Paria de Texeira), who was released a few minutes ago when she went into nervous shock. The lady in question was taken to a clinic in a Guatemalan Red Cross ambulance.

Government Statement

PA130106 Panama City ACAN in Spanish 0004 GMT 13 May 82

[Text] Guatemala City, 12 May (ACAN-EFE) -- The Guatemalan military junta assured the Brazilian Government tonight that the junta will respect the lives of the persons inside the embassy of that country, which has been occupied by guerrillas for several hours. Rafael Escobar Arguello, under secretary of public relations for the junta, told ACAN-EFE that the Brazilian Government contacted Guatemalan authorities to ask that the lives of the attackers and hostages in their embassy in this capital be respected.

Escobar Arguello also said that since it was a "peaceful" occupation there will not be any kind of violence and the persons inside the embassy "can remain there as long as they want." However, the junta is still meeting to discuss the situation and the gravity of the occupation, which the occupiers have termed "peaceful." Regarding the occupiers' demand for a press conference on peasant problems in Guatemala, the junta spokesman said that the junta does not have "to yield to anything because it involves a peaceful occupation."

Mediators Named

PA130138 Guatemala City Cadena de Emisoras Unidas in Spanish 0038 GMT 13 May 82

[Excerpts] A spokesman of the group which seized the Brazilian Embassy in this captial has called the following persons to act as mediators with the government. The persons whose names were mentioned are (Raul Osegueda Palala), acting rector of San Carlos University; (Jorge Toeriello), president of the Guatemalan Red Cross; and (Ramon Zelay Carillo), president of the Guatemalan Journalist Association.

The rebel group has also been asking that newsmen be allowed inside the embassy, but this was prohibited by the police thus far. Therefore, the only means of communications available is the loudspeaker installed in the embassy through which they are issuing messages and slogans.

Government Communique

PA130322 Guatemala City Cadena de Emisoras Unidas in Spanish 0230 GMT 13 May 82

[Text] Here is a last-minute report on the occupation of the Brazilian Embassy in this capital. A few minutes ago the government of the republic issued the first official communique on this. Among other things, in addition to deploring the situation in the Brazilian Embassy, the goverment states the following: Tomorrow at 1530 hours, Minister Luis Felipe Teixeira Soares, first secretary Joao Carlos Sousa Gomes and Carlos Josep Farro, officials of the Brazilian Foreign Ministry will arrive in Guatemala abroad a Pan-American Airlines flight to discuss the situation of their embassy in our country. The government communique also adds that in view of today's incidents, the national and international public is advised:

1. That the Guatemalan Government will respect the inviolability of the Brazilian Embassy in accordance with international agreements, principally those stipulated in the Vienna Convention on diplomatic relations.

2. That the Guatemalan Government has maintained contact with the Brazilian Government through diplomat channels, regarding the occupation of its embassy.

3. That the Guatemalan Government deplores that subversive groups use this type of action to try to achieve certain objectives through pressure, when the military government junta has reiterated that it is completely open to dialogue in seeking solutions to the various problems of Guatemala.

4. That the Guatemalan military government junta will consider the petitions made by the Brazilian Government in order to find a solution to the problem posed by the occupation of the embassy.

5. That the Guatemalan Government will not accept any mediation other than that presented by the illustrious Government of Brazil.

Rios Montt Statement

PA130434 Panama City ACAN in Spanish 0333 GMT 13 May 82

[Excerpts] Guatemala City, 12 May (ACAN-EFE) -- Gen Efrain Rios Montt, present of the Guatemalan Military Government Junta, told ACAN-EFE tonight that "the Guatemalan Government will not negotiate directly with the guerrillas who have been occupying the Brazilian Embassy since midday today."

Rios Montt added that "my government recognizes three diplomats of the Brazilian Foreign Ministry, who announced they would arrive tomorrow noon in Guatemala, as the only mediators in the conflict at the embassy. Asked about the possibility of allowing the guerrillas to leave the country, Rios Montt said that "traffic is free here and we are not detaining anybody."

Finally, the Government notes that security forces are maintaining a cordon around the embassy to provide protection for the occupiers.

LANDOWNERS SAY REBELS CONTROL REGION IN WEST

PA121812 Guatemala City PRENSA LIBRE in Spanish 4 May 82 p 39

[Text] Several landowners who were at the nacional palace to transact business related to their farming activities said yesterday that: With all sincerity we can say that Huehuetenango as an agricultural region is lost to us Guatemalans who have devoted our lives to the area. The farmers and landowners said that the guerrillas have taken over all the land in the region and caused some 5,000 people to flee to Mexico, leaving some villages and even entire municipalities completely devoid of Guatemalans.

It is true that on many farms there are cattle, as well as corn, beans and other crops that cannot be taken out of the region because the guerrillas control highways, villages and hamlets in Huehuetenango. As a result of their exodus, the Guatemalans have populated a strip of land on the Mexican side stretching from La Mesilla to the place known as Gracias a Dios. In that area, the Guatemalan peasants' labor is exploited for the benefit of the Mexican government's irrigation projects. The peasants are paid miserly wages, but cannot do otherwise because of their need to survive.

Some of the areas that are completely under guerrilla control are Santa Ana Huista, Tabacal, La Laguna, Limonar, Nueva Catarina, Nenton -- which is practically deserted -- Yabisjao, Santa Rosa Memelata, El Olvido and Ojo de Agua de Galilea.

Other areas are Canta Rana, Salisbaj, Miramar, La Union, Majabal, Zapotal, Puente Tierra, Nueva, La Union [as published], Neuva Esperanza and all the territory up to Santiago near Gracias a Dios. The landowners said: We could give the names of other estates, hamlets and villages, but the list would never end. The fact is that we Guatemalans who have put our sweat into that land know that we have lost the southern part of Huehuetenango.

They added: It should be noted that the guerrillas direct their hostilities toward the south and use their tactics to confuse the army. That is the truth, although many people do not like to hear it. The fact is that it would take a long time to recover the sector that we consider lost.

What the Army Says

At the army public relations department, Colonel Castellanos said that the armed forces has developed a large-scale counterinsurgency plan but he unfortunately could not produce it because he is arranging his papers for transfer to another army post. However, he said he is sure his successor, who should have already assumed his post, will comment on the statements made by the landowners. Castellanos said in conclusion: "I do not know who will relieve me in the post, but I am sure that he will be familiar with the problem caused by the subversives not only in Huehuetenango Department but in other parts of the country."

HONDURAS

GOVERNMENT DENIES REJECTING NICARAGUAN PROPOSAL

PA121644 Tegucigalpa Cadena Audio Video in Spanish 0015 GMT 12 May 82

[Official Honduran Government communique; issued in Tegucigalpa on 12 May 1982]

[Text] According to international news agency reports, a Nicaraguan Foreign Ministry source has said that the Honduran Government has rejected the seven points contained in a Nicaraguan proposal to improve relations between the two countries.

Spokesmen of the Honduran Foreign Ministry have said that this statement is not true since in a note on 23 April addressed to Nicaraguan Foreign Minister Miguel d'Escoto, insisting on the advisability of maintaining the regional approach of the Honduran initiative to internationalize peace in Central America which was presented to the OAS, Honduran Foreign Secretary Edgardo Paz Barnica clearly stated that the two proposals do not necessarily rule out each other.

In this way, the first point of the Nicaraguan proposal on the immediate holding of a meeting of the chiefs of the armies of Honduras and Nicaragua was accepted. The only thing that needs to be done is to set the date and place of the meeting.

Anticipating what might be discussed in that meeting, Foreign Minister d'Escoto has proposed, as a second point, the signing of a nonaggression pact between the Nicaraguan and Honduran Governments following the army chiefs meeting. In this regard, Paz Barnica's note stated that Honduras feels such facts are not necessary to maintain peace between states that are members of the United Nations and the OAS, whose charters specifically prohibit the threat and use of force in international relations. It is enough to fulfill with good faith the content of those legal instruments to guarantee peaceful and harmonious coexistence between two countries. When there is a lack of political will, treaties by themselves have never prevented war, as is shown by many examples in history.

The Honduran foreign secretariat also does not reject point three of the Nicaraguan proposal dealing with the establishment of systems of joint patrols on the common borders. It believes that this is a valuable suggestion but that its objectives fall short and should be expanded to include international supervision and vigilance as proposed in the Honduras peace initiative. In this regard, it must be stated that the Honduran Government is willing to open its territory without restriction.

Regarding the dismantling of camps of Somozist counterrevolutionary bands in Honduras and their withdrawal from the border area, the Honduran Foreign Secretariat clearly denies that such camps exist in Honduras. Proof of this is its stated willingness to submit to international inspection and vigilance.

As for the withdrawal of Nicaraguan refugees from the border area, efforts are being made with other governments to establish destinations where they will be accepted.

Another point of Nicaraguan Foreign Minister d'Escoto's proposal asks that no foreign naval base be installed on the Gulf of Fonseca without the express agreement of the three riparian states. Honduras denies that it has any intention of permitting the establishment of foreign naval bases in either the gulf or any other part of its territory. It would be encouraging to have a similar guarantee from Nicaragua.

Point six of the Nicaraguan proposal regarding the holding of bilateral political, economic, diplomatic, military, cultural, athletic and other kinds of meetings is completely accepted by Honduras. It observes that they would be more beneficial if the other countries of the area were included.

In the last point of its proposal, Nicaragua proposes that, with the cooperation of the corresponding international organizations, the repatriation of Miskitos who voluntarily wish to return to Nicaragua be carried out. This point is also accepted by Honduras as long as the UN High Commission for Refugees be in charge of determining the Miskitos' wishes, and that it assumes responsibility for their fate upon their return to Nicaragua.

As can be seen, Honduras has not rejected the Nicaraguan proposal. On the contrary, most of the points in the Nicaraguan proposal can be discussed within the broader and more functional context of the Honduran initiative which has just received the valuable support of seven chiefs of state and government, including a member of the Nicaraguan government junta, as is stated in the joint communique signed in San Jose, Costa Rica on 8 May.

Tegucigalpa, 11 May 1982, Information office of the Ministry of the Presidency

NICARAGUA

GOVERNMENT DECREE EXTENDS STATE OF EMERGENCY

PA121900 Managua Domestic Service in Spanish 1800 GMT 12 May 82

[Decree issued by Junta of the Government of National Reconstruction to extend state of emergency -- read by announcer]

[Text] The junta of the Government of National Reconstruction of Nicaragua, whereas:

The reasons for the decree of a state of emergency throughout the national territory still exist, and since the dangerous circumstances that led to its promulgation have not disappeared, it is necessary to extend it for the defense of the nation's integrity and the peaceful coexistence of its inhabitants. Therefore, exercising its powers, it decrees:

Article 1. The state of national emergency is hereby extended for 30 days starting on 15 May under the terms and limitations contained in decrees 996 of 15 March and 1023 of 14 April of this year.

Article 2. The present decree will go into effect upon publication through any collective news media, not precluding its publication in LA GACETA, the official daily newspaper.

Issued in Managua on 30 April 1982 [date as heard], year of unity in face of aggression. Junta of the Government of National Reconstruction. [Signed] Daniel Ortega Saavedra and Rafael Cordova Rivas.

BARRICADA EDITORIAL ON USSR JOINT COMMUNIQUE

PA121335 Managua Domestic Service in Spanish 1800 GMT 11 May 82

[11 May BARRICADA editorial "Nicaraguan-USSR Joint Communique That Demonstrates a New Type of Friendship"]

[Text] Although it was expected, the people's reaction to the official report on the Nicaraguan delegation's visit to USSR has been no less moving.

On the contrary, the Nicaragua-USSR joint communique, signed by Commander Daniel Ortega, Nicaraguan chief of state and member of the FSLN National Directorate; and Leonid Brezhnev, chairman of the Presidium of the USSR Supreme Soviet and general secretary of the CPSU committee, highlights outstanding considerations literally, as well as in spirit, that should be particularly emphasized.

First of all, there is the essence of relations based on fraternity and revolutionary internationalism; on mutual respect and for mutual benefit, in which two free peoples with their own responsibilities exchange experiences and opinions on matters of common interest to be carried out on the basis of cooperation and friendship between the two countries and to establish common efforts in favor of international peace, detente and security.

When the largest socialist country in the world, a first rate military power, the USSR, sits at the table of friendship and fraternity with peoples such as our tiny Nicaragua, there is no inequality, but firm solidarity from that great fraternal country for the efforts of the Nicaraguan people to achieve their historic aspirations and Soviet support for Nicaragua's struggle against the underdevelopment that deeply marked its long dependency on U.S. monopolistic capital.

On the other hand, it points to the concurrence of opinions on the many subjects discussed by the two delegations in the joint statement and the common solutions reached to overcome the problems of national and international interest. Such concurrences lead to a unity of action in important affairs, such as peace and disarmament, self-determination and nonintervention and, above all, an end to the threats and military dangers that surrounds the U.S. policy against Nicaragua, El Salvador, Cuba and other Central American and Caribbean states.

These agreements, which include the sovereignty and the independence of the countries, can only be achieved under conditions in which the struggle of the peoples flow together into a common current of unity that does not oppose the national interests of the peoples with the international interests of peace, friendship and fraternity among men.

The spirit of the Nicaragua-USSR joint communique emphasizes the fraternity and solidarity which characterize the relations between two peoples and countries which are materially unequal, separated by thousands and thousands of kilometers; but united by common historic tasks and by common classist interests that join them to the destiny of the international working class.

At a time of crisis, such as the one faced by the community of Latin American countries due to the arrogant and domineering policies of U.S. imperialism toward our countries, the Nicaragua-USSR joint communique marks with greater highlights the links on which the relations of friendship and fraternity of the Latin American states should rest. At this point, these countries have already defined the main enemy of their people's interests.

Only on the basis of authentic equality, independence and sovereignty of the peoples, respect and mutual advantages, and complete understanding within the rights of self-determination and nonintervention, can there be firm relations between the peoples and countries that favor peace, friendship, detente and international security, the fastest way of achieving happiness for all mankind.

MEETING ANNOUNCED WITH HONDURAN FOREIGN MINISTER

PA122120 Managua Domestic Service in Spanish 1800 GMT 12 May 82

[Text] The Nicaraguan Foreign Ministry has confirmed that the Nicaraguan and Honduran foreign ministers will meet soon. The Honduran foreign minister has already sent a note to his Nicaraguan counterpart, accepting an invitation for talks, which was extended by our government. The meeting, which is of great importance in view of the seven-point proposal that Nicaragua has presented to Honduras, will be held on Nicaraguan territory. Asked about the probable date of the meeting, the Honduran foreign minister answered that it will be held as soon as conditions permit.

HONDURAN COMMISSION TO INVESTIGATE SOMOZIST CAMPS

PA121720 Managua Domestic Service in Spanish 1200 GMT 12 May 82

[Text] It has been learned from Tegucigalpa that a commission appointed by the Honduran Government will travel to Lempira Department in the Mosquitia section of Honduras to investigate the activities of the counterrevolutionary groups that are preparing to attack Nicaragua. Some days ago, 300 teachers assigned to the Mosquitia area warned the government that they would not return to their posts until the situation in the area improved.

In this regard, Chapter 18 of the Professional Association For the Improvement of Teaching in Honduras, COLPOSUMAH, which has its headquarters in Puerto Lempira, has said that it will present evidence to the commission concerning the sites where the camps of former Somozist guardsmen are located in that sector. The COLPOSUMAH position is supported by the various groups that make up the Teachers United Front, which is participating in the investigatory commission. The commission also includes representatives of the Education Ministry and may possibly include members of the Honduran Armed Forces.

GOVERNMENT JUNTA REPLACES CENTRAL BANK PRESIDENT

PA121938 Managua Domestic Service in Spanish 1800 GMT 12 May 82

[Decree issued by Junta of the Government of National Reconstruction to appoint new Central Bank manager -- read by announcer]

[Text] The Junta of the Government of National Reconstruction of the Republic of Nicaragua, exercising its powers, hereby decrees:

Article 1. The appointment of Alfredo Cesar Aguirre as minister president of the Nicaraguan Central Bank is hereby declared null and Companero Luis Enrique Figueroa (Aguilar), currently deputy minister of national planning, is appointed in his place.

Article 2. The present appointment will become effective on the date the appointed official takes the oath of office before the Junta of the Government of National Reconstruction. Issued in the City of Managua on 11 May 1982, year of unity in face of aggression. Junta of the Government of National Reconstruction. (Signed) Daniel Ortega Saavedra and Rafael Cordova Rivas.

JIMENEZ ANNOUNCES EXPANDED RELATIONS WITH AUCCTU

PA121543 Managua Domestic Service in Spanish 1200 GMT 12 May 82

[Text] Cooperative relations between the Sandinist Workers Federation [CST] and the All-Union Central Council of Trade Unions [AUCCTU] of the USSR are being strengthened, and by next year they will encompass more fields of bilateral cooperation. This information was provided by Companero Lucio Jimenez, secretary general of the CST, on informing the listeners of this station about the present status of relations between the labor organizations in the USSR and Nicaragua.

In this regard, Jimenez added that during his recent visit to Moscow for the celebration of International Labor Day, he talked with (?Aleksey Shibayev), chairman of the AUCCTU, with whom he agreed to continue increasing the already cordial relations that exist between Soviet and Nicaraguan workers.

Finally, Jimenez said that these improved relations will allow the Nicaraguan working class to obtain a more solid support from over 120 million organized Soviet workers for the struggle to defend the revolution and socialism.

TRADE DELEGATION SIGNS AGREEMENT WITH IRAN

LD112240 Tehran Domestic Service in Persian 2030 GMT 11 May 82

[Text] A trade delegation from the Islamic Republic of Iran continues its tour of Latin American countries. At the end of its visit to Nicaragua, a trade memorandum was signed between the two countries.

According to the Central News Unit, this memorandum was signed by our country's deputy commerce minister and by the deputy foreign trade minister of Nicaragua.

On the basis of this memorandum, the two countries will provide the necessary facilities for expanding trade between the two sides. Nicaragua's potential exports to Iran include sugar, meat, [word indistinct] and coffee; and Iran's possibilities for export to Nicaragua will include crude oil, petrochemical products, dried nuts and fruit, melamine dishes and various manufactured goods.

At the end of this visit, the head of the Iranian delegation also took part in a radio-television conference: While explaining the position of the Islamic Republic and its gains, he emphasized the advantages of expanding trade with oppressed countries in order to reduce dependence on superpowers and strengthen the front of the world's oppressed. He stated that the results of this trip to Nicaragua are very successful.

LATIN AMERICA URGED TO BACK ARGENTINA MILITARILY

PA121435 Panama City ACAN in Spanish 2048 GMT 11 May 82

[Text] Managua, 11 May (ACAN-EFE) -- Guillermo Toriello, president of the Central American and Caribbean anti-imperialist tribunal, has asked that the Latin American countries to "reinforce Argentina militarily." Toriello, who arrived from Venezuela on a 24-hour visit to Nicaragua, told EFE at Managua's Sandino airport that the British shelling of the Malvinas Islands "is an attack against the continent, which is very serious."

He recommended that Latin American workers hold protest demonstrations against Britain so the governments on the continent will feel backed by their peoples in adopting the decision to reinforce Argentina militarily. Toriello, who is a former Guatemalan foreign minister, asked portworkers to boycott ships carrying the British and U.S. flag, as the Venezuelan workers have done.

COUNTERREVOLUTIONARIES' DEATH TOLL PUT AT 20

PA121600 Paris AFP in Spanish 2348 GMT 11 May 82

[Text] Managua, 11 May (AFP) -- Twenty members of a counterrevolutionary band died in a clash with Sandinist forces last week in northern Zelaya Department, on the Atlantic Coast, a militiaman disclosed today.

Vidal Rosales, member of the Sandinist people's militia in the small town of Alamikamba, asserted that an unequal battle took place on 5 May between 17 Sandinists and 120 counter-revolutionaries, with the result mentioned. Rosales said, in describing the fierce battle, that several Sandinist women took part in the fighting and that "their contribution and bravery helped put the former Somozist guardsmen to flight." According to the militiaman, 20 attackers died and several Sandinists were wounded during the clash.

DEVELOPMENT BANK REPORT ON CARICOM ECONOMIES

FL110031 Bridgetown CANA in English 2245 GMT 10 May 82

[Text] Bridgetown, Barbados, 10 May (CANA) -- The Barbados-based Caribbean Development Bank (CDB) says in its 1981 annual that there was a general slowdown in economic activity in Caribbean Community (CARICOM) countries last year. Restrictive monetary and fiscal policies in the developing countries, the bank said, contributed to a slackening in demand for some of the traditional export products in the region, particularly bauxite and tourism, with consequential effects on earnings.

There were also declines in output as a result of domestic difficulties, including adverse weather conditions. The production of bauxite was down to 13.5 million tonnes, a 4.1 percent dip compared with 1980, while sugar production fell by 8.7 percent to 825,180 tonnes.

Following is the banks report on economic trends in Grenada, Guyana, Jamaica, Montserrat and St Kitts-Nevis.

Grenada:

Unfavourable publicity abroad, heavy rains, and depressed international prices for its export crops adversely affected Grenada's economic performance in 1981.

The tourism sector, in particular, fared very badly, experiencing declines in stay-over visitors and cruise ship passengers of 16 percent (after a decline of 9 percent the year before) and 47 percent respectively.

The non-traditional export crops performed well during the year, as the value and volume of exported fresh fruit more than doubled. In agro-industry, the government's food processing plant at True Blue became fully operational and generated a profit of approximately 0.1 million dollars. The plant produces a wide range of food products including jams, jellies and nectars for domestic consumption and exports.

Guyana:

The three major planks of the Guyanese economy -- sugar, rice and bauxite/alumina -- recorded mixed performances during 1981. On the positive side, some 300,800 tons of sugar or 95 percent of the planned target was produced in 1981, representing an increase of 11.6 percent over the level produced in 1980.

Contributing to this improved performance was the recovery from smut disease, as well as improved drainage and tillage associated with a replanting programme.

Production of calcined bauxite, alumina and rice showed declines of varying magnitudes, following sharp increases over the low levels of 1979. Rice output declined by 2.4 percent, mainly as a result of heavy rains throughout the year. In the bauxite/alumina industry, production of all types of bauxite fell by 9.8 percent to 1,859,000 metric tons. Alumina production, utilising part of this bauxite, declined by 20.1 percent to 172,000 metric tons in 1981. As was the case in 1980, the industry was plagued by a growing shortage of senior managers and skilled technicians and an unreliable power supply as well as increased competition from China in the market for calcined bauxite. Decreasing international demand for aluminium also contributed to the reduced output.

A three year EFF [initials not expanded] arrangement of SDR [initials not expanded] 150 million with the IMF and a medium-term structural adjustment balance of payments support scheme of 23 million dollars with the World Bank were concluded. The new agreement with the IMF replaced an earlier one.

As an integral part of the new aggregate demand and supply management programme, the Guyanese dollar was devalued by 15 percent against the U.S. dollar as part of the effort to correct the country's external imbalance.

Jamaica:

Preliminary indications are that the Jamaican economy grew by 1.5 percent in 1981, reversing a 9-year negative growth trend. Output in 1980 had fallen by 5.4 percent. While positive, the outturn for 1981 was below the 3.7 percent output growth that had originally been forecast following the changes in economic policy that accompanied the change in government in late 1980. The lower level of output growth represented both international and domestic factors.

The decline in demand in the industrialised countries directly affected the performance of the tourist and bauxite/alumina industries, Jamaica's main foreign exchange earners. Tourist arrivals declined by 7.5 percent during the first eight months of the year, as against the comparable period of 1980: while bauxite production for the full year amounted to 11.6 million metric tons, 2.5 percent below the 1980 level, as producers in Jamaica cut production in response to a sagging aluminium market abroad.

With the production cuts originally intended to continue into 1982, lay-offs in the industry were averted, following an agreement between Jamaica and the U.S., reached late in the year, under which the U.S. agreed to purchase 1.6 million metric tons of bauxite for its strategic stockpile, with part payment in cash and the balance in exchange for food grains.

In addition, reduced demand for aluminium is expected to reduce bauxite levy payments to the government as a result of a decline in the realised price for primary ingot. The problems of the industry continued in early 1982 with two alumina plants having closed for one month and two months respectively, as a result of industrial disputes.

Domestic factors were mainly responsible for reduced output of the other two main traditional export products -- sugar and bananas. Sugar production, at just over 200,000 metric tons, was 17.4 percent below the 1980 level, the low output reflecting the effects of diseased cane, poor cultural practices and milling inefficiencies. Domestic currency earnings from sugar exports were reduced, following the appreciation of the U.S. dollar, to which the Jamaica dollar is tied, against the EUA [initials not expanded] in which guaranteed sugar prices are denominated.

As regards bananas, production for the first seven months of 1981 amounted to only 20 percent of output for the comparable 1980 period, owing to destruction of banana plantations by Hurricane Allene and the late start and slow progress of rehabilitation.

Preliminary data for the manufacturing sector suggest short-falls against expected growth, principally because of constraints in the utilisation of excess plant capacity caused by a shortage of foreign exchange. Although there was f vourable private sector response, both from within and outside Jamaica, to the new governments announced commitment to a free enterprise economy, new investment projects have been somewhat slow in getting off the ground.

Two import aspects of Jamaica's new economy policy included the signing of a three year EFF agreement with the IMF and a relaxation of import restrictions on consumer and intermediate goods. Under the agreement with the fund, Jamaica will receive SDR 537 million in balance of payments support, allowing the country to reduce indebtedness to suppliers and to pay for future essential imports.

The relaxation of restrictions on imports, and particularly the granting of "no-funds" import licences, together with the fund agreement, resulted in the reappearance of a variety of consumer items in stores and supermarkets and contributed to a dramatic slow-down in the rate of increase in consumer prices. For January to September, the consumer price index rose by 4.3 percent as against 23 percent for the corresponding period of 1980. For 1981 as a whole, the rate of increase in consumer prices is not expected to have exceeded 7.5 percent as against 28.6 percent in 1980.

Imports into Jamaica for the first nine months of 1981 totalled 1,071 million dollars, 25.8 percent over the amount for the corresponding 1980 period, while exports rose by 7 percent to 774.5 million. This trade gap contributed to an overall current account deficit of 308.1 million dollars (1980: 149.9 million) which was financed mainly by official capital inflows.

Montserrat:

Preliminary data indicate that gross domestic product (GDP) increased at the satisfactory rate of 3.4 percent, compared with 7 percent in 1980.

At the sectoral level, agriculture (3 percent), manufacturing (7 percent), construction (5 percent), wholesale, retail restaurants and hotels (3 percent) and finance insurance, real estate and business services (10 percent), all showed increases while community, social and personal services declined by 6.5 percent.

The agricultural sector recovered from a decline of 2.6 percent in 1980, due mainly to an increase in the acreage under cotton. Elsehwere in the sector, there were declines in output, particularly in the production of hot peppers, the main export crop.

Significant gains were made in the manufacturing sector with growth in 1981 exceeding the 1980 growth rate of 4.8 percent. The export value of almost all categories of manufactured goods showed increases over 1980 levels with the major increase being recorded in the production of polythene bags.

The manufacturing sector was the major contributor to the reduction in the rate of unemployment from 6.1 percent in 1980 to an estimated 5.4 percent in 1981, accounting for more than 50 percent of the new jobs created. Growth in the construction sector was related to the expansion of one hotel as well as the construction of houses for both local and non-national clientele.

In the tourism sector, visitor arrivals during 1981 totalled 20,056, a decline of 2.1 percent, as compared with 20,483 in 1980. Stay over visitors in 1981 increased by 4.8 percent over the 1980 level in contrast to 23.5 percent decline in cruise ship visitors.

The inflation rate during 1981 was 7.1 percent compared with 17.8 percent in 1980. This lower rate was related to the stabilisation of house rents and to the lower level of increases in fuel prices.

The most significant fiscal development during 1981 was government's decision, with the support of the UK Government, to move out of grant-aided status. This decision was justified on the basis of recent good revenue performances and prudent management of expenditure.

Partial data on the commercial banks for 1981 indicate that there was a continuation of the pattern in 1980 whereby domestic demand for credit far exceed the growth in deposits. As a result, the commercial banks reduced balances with the East Caribbean Currency Authority (ECCA) to finance loans to the household and commercial sectors as well as to government and statutory bodies.

St Kitts/Nevis

The economy of St Kitts/Nevis experienced little, if any, real growth in 1981. Sugar production, the mainstay of the economy, fell by 6.8 percent from 34,750 metric tons in 1980 to 32,360 metric tons in 1981. This reduced level of output reflects a slight decline in acreage reaped, as well as a poorer yield of sugar per acre. Cotton production, on the other hand, increased dramatically from 8,000 pounds in 1980 to 79,000 pounds in 1981.

The improvement here can be attributed to a government-led effort to revive the cotton industry, as well as the prevailing high prices of cotton. The area reaped expanded from 38 acres in 1980 to 202 acres in 1981, with export of pure cotton increasing from 2,200 pounds to 23,900 pounds.

Despite a depressed international tourist market, visitor arrivals to St Kitts/Nevis increased by 7 percent to 8 percent in 1981. This growth is a direct result of improved accessibility to the island, as air services now include direct international jet flights.

Central government operations which have realised a surplus on current account since 1974 recorded a deficit of some 1.1 million dollars by the end of November 1981. Substantial increases in personal emoluments for public sector workers -- ranging between 40 percent and 50 percent -- costing government nearly 3.7 million dollars, contributed significantly to the deficit.

The sugar industry is currently being examined with the intention of streamlining its operations to ensure a measure of viability. A levy introduced when prices obtained on external markets were favourable, is now proving to be burdensome, as the basis for its computation bears no relations to the current cost of production in the industry.

MEXICO, ANGUILLA ADMITTED TO CDB BY DIRECTORS

FL122254 Bridgetown CANA in English 2234 GMT 12 May 82

[Text] Castries, St Lucia, 12 May (CANA) -- Mexico and Anguilla were formally admitted to the Barbados-based Caribbean Development Bank (CDB) today, bringing membership in the English-speaking Caribbean to 29 and in Latin America to three. Membership for the two countries was approved by the bank's board of directors.

Addressing a board of governors meeting which opened in Castries earlier today, head of the Mexican delegation Jesus Herozog said he was sure his country would benefit from the experiences of member-states. Sr Herozog, who is the Mexican minister of treasury and public credit, said the oil-rich Central American state was hoping to add her own experiences to the bank's operations.

He said the future strength of the Caribbean Basin lay in member countries adding, "the developing countries have within themselves all that is required for growth." The Mexican minister predicted difficult times ahead, which he said would produce great challenges to everyone with governmental responsibilities.

But he said at the same time that it provided opportunities for greater cooperation among nations. The two other Latin American members of the CDB are Venezuela and Colombia which were admitted in April 1973 and November 1974, respectively. The Anguilla delegation, headed by chief minister Ronald Webster, did not address the opening session.

CUBA

RODRIGUEZ RETURNS FROM OFFICIAL VISIT TO FRANCE

FL111445 Havana Domestic Service in Spanish 1408 GMT 11 May 82

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has returned from his official visit to France, where he met with French President Francois Mitterrand. During his stay in Paris, he held talks with Prime Minister Pierre Mauroy and Foreign Minister Claude Cheysson, as well as with Paris Mayor Jacques Chirac and Georges Marchais, secretary general of the French Communist Party.

GUYANA

GOVERNMENT DENIES MILITARY PACT WITH COLOMBIA

PA111626 Paris AFP in Spanish 1614 GMT 11 May 82

[Text] Georgetown, 11 May (AFP) -- Guyana today "officially and categorically" denied that it has signed a military pact with Colombia. Guyanese Foreign Minister Rashleigh Jackson released the official denial to the press in a formal reply to reports in Caracas on Monday about the existence of a possible Colombian-Guyanese military pact against Venezuela.

However, Jackson confirmed that Colombia and Guyana recently reached important agreements on economic cooperation. It has been noted that both Guyana and Colombia have border disputes with Venezuela.

MEXICO

CASTANEDA: UK BEHAVIOR OVER FALKLANDS IMPROPER

PA121709 Mexico City International Service in Spanish 0200 GMT 12 May 82

[Text] Great Britain's behavior in the Malvinas conflict has not been the proper one, asserted Jorge Castaneda. The secretary of foreign relations of Mexico termed as "exaggerated" the sanctions imposed by the EEC on Argentina.

In relation to the armed conflict over the sovereignty of the South Atlantic islands, Castaneda said London's behavior has not been proper, as the islands will sooner or later become Argentine. Castaneda pointed out during a meeting held by the UN Commission on Human Rights that the two nations are trying to save face, but unfortunately this has caused the loss of human lives.

ARGENTINE EXILE GROUP ON WAY TO BUENOS AIRES

PY122000 Paris AFP in Spanish 1929 GMT 12 May 82

[Text] Mexico City, 12 May (AFP) -- It has been reported that a group of Argentine exiles living in Mexico and headed by former Cordoba Province Governor Ricardo Obregon Cano, who is a member of the national board of the Peronist Montonero movement, left today for Argentina, where they will contribute to defending the nation's sovereignty.

The party, which is made up of six Argentines and one Peruvian, journalist Rafael Roncagliolo, will stop in Panama, Venezuela and Peru, where other exiles and political leaders will join them.

Their arrival in Buenos Aires is scheduled for Monday.

PANAMA

DIPLOMAT DENIES CUBA TORRIJOS DEATH COMPLICITY

PA082335 Panama City CRITICA in Spanish 6 May 82 p 2

[By Jorge Mombeliard]

[Text] A senior official of the Cuban Embassy in Panama yesterday discounted the report in a local paper implicating Fidel Castro's government in the violent death of Panamanian leader Maj Gen Omar Torrijos Herrera.

The Cuban official termed the charge, which was made by an alleged Sandinist and carried in a morning newspaper, "a lot of nonsense." He said he had no comment, since such accusations do not deserve a response.

PAREDES CONFIRMS HE WILL RUN FOR PRESIDENT

PA122012 Panama City LA PRENSA in Spanish 11 May 82 p 1

[Text] Brig Gen Ruben Dario Paredes confirmed to the Costa Rican newspaper LA REPUBLICA that he will run for president of the Republic of Panama in 1984.

The Costa Rican paper published the report under the headline "I will be a candidate for the presidency in Panama: General Paredes." LA REPUBLICA's 7 May issue quotes General Paredes as saying he will be a candidate for the presidency of Panama next year. Besides being commander in chief of the National Guard, Paredes is considered a staunch Torrijist. Paredes replaced Florencio Florez, who in turn replaced General Torrijos when he died in a plane accident on 31 July 1981.

Panama's strongman, as Paredes is known, visited President-elect Luis Alberto Monge in Villa Mongalba. Paredes said that "for the time being I am in the National Guard and will not enter politics while I wear the uniform. But rest assured that by the middle of 1983, when I will decide to accept the nomination, I will fully dedicate my time to campaign activities." He added: "I respect the National Guard uniform I wear, and that is why I have turned down presidential nominations before. Next year, however, it will be different."

He ended the brief statement with this resonant phrase: "Of course I will be a candidate." "And president?" he was asked. "The Panamanian people will decide that in 1984," he answered.

VENEZUELA

ZAMBRANO: GUYANA INTERNATIONALIZING BORDER ISSUE

FL122151 Mexico City NOTIMEX in Spanish 2120 GMT 12 May 82

[Text] Caracas, 12 May (NOTIMEX) -- Venezuelan Foreign Minister Jose Alberto Zambrano Velasco today charged that Guyana is trying to "internationalize" the territorial conflict that has divided the two countries for many years. Zambrano stated that Guyana accuses Venezuela "of having sent troops to the Essequibo territory," and added that as a part of Guyana's foreign policy an attempt is being made to present Venezuela as an aggressor country. As a superpower that wants to obstruct the development of a smaller nation.

Zambrano noted the need for calling attention to this, inasmuch as one of Venezuela's intentions "is to be careful with the publicity of these types of things, which are specifically directed at harming the Venezuelan position."